

## ABOUT THE CREE DATA

The California Regional Economies Employment (CREE) Series is an outgrowth of the California Regional Economies Project, sponsored by the California Workforce Investment Board in cooperation with the California Economic Strategy Panel. It provides non-confidential annual employment and wage data for California and each county in the State for the period 1990-2004.

The CREE Series has been revised and significantly expanded since its last release and its data come from two sources. The Private Industry employment figures come from the Quarterly Census of Employment and Wages (QCEW) program. The Government figures come from the Current Employment Statistics (CES) program. The QCEW figures derive from quarterly tax reports submitted to the Employment Development Department (EDD) by California employers subject to State unemployment insurance (UI) laws and from federal agencies subject to the Unemployment Compensation for Federal Employees program. The CES figures derive from a monthly employer survey of approximately 37,000 California employers. While the QCEW data only include employers and employment covered by UI programs, the CES program makes an effort to estimate all employment. The CES employment estimates are benchmarked annually to the QCEW covered employment data. **The benchmarked CES employment estimates are considered the official employment estimates from EDD.**

### Private Industry QCEW Figures

As noted above, the Private Industry data come from the QCEW program. These data were downloaded from the federal Bureau of Labor Statistics (BLS) Web site and contain columnar data on the number of establishments, average employment, total wages, average weekly wages, and average annual wages. Those terms are defined more precisely below, in addition to other column headings used in the CREE tables. Of special note is the use of the North American Industry Classification System (NAICS) for data prior to 2001. The NAICS took effect in 2001; prior to that date, the Standard Industrial Classification (SIC) system was used to classify industries. Due to differences in NAICS and SIC structures, data for 2001 and afterwards are not comparable to the SIC-based data for earlier years. In response to customer complaints about the lack of historical comparability between the NAICS and SIC, the BLS reconstructed industry data from 1990 to 2000 using the NAICS. These reconstructed NAICS data from 1990-2000 are used in the Private Industry tables.

## Descriptions of the Column Headings

The column headings in the **Private Industry** tables are defined as follows:

- **County Name** is the name of the county.
- **NAICS Code** is the industry code number for each industry. There are several cases where the data are not coded strictly to NAICS definitions. The BLS has extended the NAICS hierarchy upward to two domains (Goods Producing and Service Producing) and 10 supersectors (Natural Resources and Mining; Construction; Manufacturing; Trade, Transportation, and Utilities; Information; Financial Activities; Professional and Business Services; Education and Health Services; Leisure and Hospitality; and Other Services). Additionally, the BLS has extended NAICS downward in subsector 238, Specialty Trade Contractors, dividing the 19 industries into residential and nonresidential categories.
- **Industry** is the descriptive title for each NAICS code.
- **Aggregation Level** is a one-digit numeric character entry that derives from a combination of attributes of the record. This column can be used for sorting the file by 2, 3, 4, 5, or 6-digit NAICS code or by sector or domain.
- **Number of Establishments** is the number of establishments for which employers reported their activity under UI laws. It is the average of the number of establishments reported for each of the four quarters of the year. An establishment is an economic unit, such as a farm, factory, store, or mine, that produces goods or provides services. It is typically at a single physical location and is engaged in one, or predominantly one, type of business activity for which a single industrial classification has been assigned.
- **Average Employment** is the average of the 12 monthly employment levels. The reported employment is for the pay period that includes the 12<sup>th</sup> day of each month.
- **Total Wages** are the total wages for all employees, even those employees who may not have worked during the 12<sup>th</sup> day of the month pay period, but who still earned UI-covered wages. The annual value is the total of the tabulated wages for each of the four quarters. Wages are the total compensation paid by an employer and include bonuses, stock options, the cash value of meals and lodging, tips and other gratuities. These wages are not inflation-adjusted. For those wishing to perform an inflation-adjustment, we recommend using the Employment Cost Index (ECI), published every quarter by the BLS (see Web site link below).
- **Average Weekly Wages** are the quotients that result from dividing the total annual payroll by annual average employment and dividing the result by 52 weeks.
- **Average Annual Wages** are the quotients that result from dividing total annual wages for a year by annual average employment for that year.

The column headings for the **Government** tables are as follows:

- **County Name** is the name of the county.
- **Industry** is the level of government.
- **Annual Average Employment** is the average of the 12 monthly employment levels. As in the QCEW program, the employment reported in the CES program includes workers employed on the pay period that includes the 12<sup>th</sup> day of each month.

### **Confidential Data**

Confidential data, that is, data that could identify an individual employer, are suppressed in the tables, with an **S** indicating where the suppression occurred. For Private Industry data from 1990-2000, based on the reconstructed NAICS data that BLS prepared, no confidential data appear even for those industries where it is likely that confidential data were present. Instead, a "0" is placed in those cells. Because the procedures used by BLS to reconstruct the 1990-2000 data made it impractical to identify all the potential confidential data, we decided to use a "0" in those instances. However, the reader should be aware that not all "0s" in the 1990-2000 figures mean that there was no employment or wages in that particular industry.

### **Links**

For a more detailed description of the CES and QCEW programs, and for calculating the ECI, see the relevant BLS Web sites at:

- [www.bls.gov/sae/home.htm](http://www.bls.gov/sae/home.htm) (CES)
- [www.bls.gov/cew](http://www.bls.gov/cew) (QCEW)
- [www.bls.gov/ncs/ect/home.htm](http://www.bls.gov/ncs/ect/home.htm) (ECI))

To view all the CREE data, please go to:

- <http://www.labormarketinfo.edd.ca.gov/cgi/databrowsing/?PageID=173>

If you have any questions, please contact the Employment Development Department, Labor Market Information Division at: (916) 262-2162.